

## iGT UNC / iGT INC Modification Proposal

<b>Date</b>	17 <sup>th</sup> July 2013
<b>Urgency</b>	<b>Urgent</b> <i>(delete as appropriate)</i>
<b>Reference</b>	iGT054A
<b>Status</b>	For Development
<b>Title</b>	Alternative Profile For Pre-Payment Meters (alternate)
<b>Proposer</b>	Colette Baldwin E.ON
<b>iGT UNC / Pipeline Operator</b> <i>Confirm whether the Modification Proposal is to the iGT UNC or an iGT's Individual Network Code.</i>	iGT UNC
<b>Modification Proposal Dates</b>	<i>Circulation: dd/mm/yyyy</i> <i>Response: dd/mm/yyyy</i> <i>Circulation of DMR: dd/mm/yyyy</i> <i>Response to DMR: dd/mm/yyyy</i> <i>DFMR published: dd/mm/yyyy</i> <i>DFMR considered at Panel: dd/mm/yyyy</i> <i>FMR sent to authority: dd/mm/yyyy</i> <i>Circulate Authority's determination: dd/mm/yyyy</i> <i>Suggested Implementation date: dd/mm/yyyy</i>

### Urgency

As this is an alternate to the Modification iGT UNC 054 for which Urgent Status has been requested by the Proposer, we would request similar consideration be given to this proposal to ensure that they continue to be aligned in terms of development and consultation.

### Background

Under the current allocation regime all SSPs are subject to RbD, and their allocation is determined by their EUC1 banding. Evidence submitted by Winchester Gas suggests that the profile of a pre-payment customer is flatter than that of a standard domestic credit meter customer which effectively results in an over allocation of gas during the winter period and under allocation of gas during the summer period for this sector of the market. The impact of the disparity in allocation costs compared to the billed consumption has a detrimental financial impact on shippers, especially on smaller niche shippers.

### The Proposal

It is proposed that The Large Transporters' Agent develop, before the start of the 2013/14 gas year, an estimated profile for pre-payment meters using the pre-payment usage data submitted by Winchester Gas along with any other supporting data available from other shippers. Each month The Large Transporters' Agent

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would then calculate energy allocation based on this new profile, applying weather correction values. Prepayment sites would then be reconciled after month end based on the average SAP price for that month. All supply points with either a pre-payment meter or Smart meter operating in pre-payment mode, would be billed to this new profile. This is intended that this solution will only apply until UK Link Replacement is delivered.

### How will the proposal operate?

It is proposed any pre-payment meter or Smart meter operating in pre-payment mode, be reconciled on a profile [for each LDZ, or group of LDZs dependent on the judgement of the Large Transporters Agent, whichever is the most appropriate approach to aggregating the available data,] derived for pre-payment meters rather than the current EUC 1 profile which is based on the usage from a credit meter. The Large Transporters' Agent shall produce the pre-payment profile ahead of the gas year 2013/14 using the best data available to them at the time the profile is produced.

Pipeline Operators will need to report to the Large Transporters' agent the number of Pre-payment Meters or Smart meters operating in pre-payment mode on their networks to allow for the appropriate adjustment in the RbD billing for SSPs.

The workgroup will need to develop specific business rules to identify the appropriate sites to which the new profile will apply and agree a mechanism for the Large Transporters' Agent to receive and process the information, and adjust the RbD invoices accordingly for iGT Sites.

### Suggested timescale for implementation

We suggest that this modification is aligned with the proposal for the Large Transporters with the view to a 1st October 2013 start date.

### Section of the Code Concerned

### Facilitation of the relevant objectives

*How this proposal will, if implemented, better facilitate the "code relevant objectives", as defined in Standard Condition 9 of the Gas Transporters Licence. For those answered Yes to, please provide a detailed explanation below the table.*

<i>Relevant Objective</i>	<i>Yes/No</i>
a. the efficient and economic operation of the pipe-line system to which this licence relates	No
b. so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of the pipe-line system of one or more other relevant gas transporters	No

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c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence	No
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers	Yes
e. so far as is consistent with sub-paragraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards are satisfied as respects the availability of gas to their domestic customers	No
f. so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code referred to in paragraphs 2 and 5 respectively of this condition	No
g. so far as is consistent with sub-paragraphs (a) to (f), the compliance with the Regulation* and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators	No

\* Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009

### Relevant Objectives to be better facilitated: Objective D

Implementation of this proposal would facilitate improved allocation of energy which would be more reflective of the gas consumed by pre-payment customers. It would reduce the financial risk that shippers, particularly smaller niche shippers, are exposed to, in a more general allocation profile for all SSPs.

### Likely impact on environment?

None

### Implementation issues including impact on systems

### Proposed Legal Text

Completed forms should be returned to the iGT UNC Representative, Gemserv Ltd at [iGT-UNC@gemserv.com](mailto:iGT-UNC@gemserv.com) or faxed to 020 7090 1001